

EXHIBIT 1

INTRODUCTION

Respondent Elizabeth Pierson (hereafter “Respondent Pierson”) has been a consultant to the City of Westminster’s community development department since February 25, 2005. As a consultant for the City of Westminster, Respondent Pierson was a designated employee under the conflict of interest code for the City of Westminster and was therefore required to file a statement of economic interests.

The Political Reform Act (the “Act”)¹ requires each designated employee of an agency to file an assuming office statement of economic interests within 30 days after assuming office, disclosing investments, business positions, and interests in real property held on, and income received during the 12 months before, the date of assuming office. In this matter, Respondent failed to file her assuming office statement of economic interests due March 28, 2005.

For purposes of this Default Decision and Order, Respondent’s violation of the Act is stated as follows:

COUNT 1: Respondent Elizabeth Pierson failed to file an assuming office statement of economic interests by the March 28, 2005 due date, in violation of section 87300 of the Government Code.

THE ADMINISTRATIVE PROCEDURE ACT

Pursuant to the Administrative Procedure Act (the “APA”),² a respondent is entitled to a hearing on the merits of an Accusation if the respondent files a Notice of Defense within 15 days after service of the Accusation. (Section 11506.) The APA further provides that a respondent’s failure to file a Notice of Defense within 15 days after service of an Accusation constitutes a waiver of the respondent’s right to a hearing. (Section 11506, subdivision (c).) A default decision may be issued if the respondent fails to file a Notice of Defense within 15 days of service of the Accusation. (Section 11520, subdivision (a).)

On May 1, 2006, the Accusation in this matter was issued against Respondent Elizabeth Pierson. Section 11505, subdivision (c) provides that the Accusation and accompanying information may be sent to the respondent by any means selected by the agency, but that no order adversely affecting the rights of the respondent shall be made by the agency in any case unless the respondent has been served personally or by registered mail as set forth in section 11505.

The Enforcement Division employed the services of a process-serving company in San Diego County to attempt personal service of the Accusation on Respondent. On October 4, 2006, the

¹ The Political Reform Act is contained in Government Code sections 81000 through 91014. All statutory references are to the Government Code, unless otherwise indicated. The regulations of the Fair Political Practices Commission are contained in sections 18109 through 18997 of title 2 of the California Code of Regulations. All regulatory references are to title 2, division 6 of the California Code of Regulations, unless otherwise indicated.

² The Administrative Procedure Act is contained in sections 11370 through 11529 of the Government Code.

Accusation was personally served on Respondent Pierson. (A copy of the proof of service is attached hereto as Exhibit 2 and incorporated herein by reference.) Along with the Accusation, the Enforcement Division served Respondent Pierson with a "Statement to Respondent" which notified Respondent that she could request a hearing on the merits and warned that, unless a Notice of Defense was filed within fifteen days of service of the Accusation, Respondent would be deemed to have waived her right to a hearing. Respondent Pierson failed to file a Notice of Defense within the statutory time period.

On December 26, 2006, Enforcement Division Staff sent a letter to Respondent Pierson informing her that this matter would be submitted for a Default Decision and Order at the Commission's next public meeting scheduled for February 8, 2007. A copy of the Default Decision and Order, and the accompanying Exhibit 1, was included with the letter.

SUMMARY OF THE LAW

An express purpose of the Act, as set forth in section 81002, subdivision (c), is to ensure that the assets and income of public officials, that may be materially affected by their official actions, be disclosed, so that conflicts of interest may be avoided. In furtherance of this purpose, section 87300 requires every agency to adopt and promulgate a conflict of interest code.

Section 87302, subdivision (a) provides that an agency's conflict of interest code must specifically designate the positions within the agency that are required to file statements of economic interests, disclosing reportable investments, business positions, interests in real property, and sources of income. Under section 82019, subdivision (a), and section 87302, the persons who are to be designated in an agency's conflict of interest code are the officers, employees, members, and consultants of the agency whose position with the agency entails making, or participating in making, governmental decisions that may foreseeably have a material effect on one or more of the person's economic interests.

Section 87302, subdivision (b) provides that an agency's conflict of interest code must require each designated employee of the agency to file an assuming office statement of economic interests within 30 days after assuming office, disclosing investments, business positions, and interests in real property held on, and income received during the 12 months before, the date of assuming office.

Section 87300 declares that the requirements of an agency's conflict of interest code shall have the force of law, and any violation of those requirements shall be deemed a violation of the Act.

SUMMARY OF THE FACTS

The conflict-of-interest code for the City of Westminster requires consultants under contract to the city to file statements of economic interests unless the consultant's duties are so limited in scope to not require disclosure, or require limited disclosure, under the Act.

On February 15, 2005, Marian Contreras, City Clerk of the City of Westminster, sent a letter to Respondent, advising her that it had been determined that the services she provided to the

City of Westminster as the Chief Executive Officer of the Fair Housing Council of Orange County qualified her as a “consultant” under the Act, and as such, she was required to file statements of economic interests. The letter requested that Respondent file her assuming office statement of economic interests no later than March 28, 2005.

According to filing records maintained by the city clerk of the City of Westminster, Respondent failed to file an assuming office statement of economic interests by the March 28, 2005 due date.

On March 29, 2005, Ms. Contreras sent Respondent a second letter advising her that her assuming office statement of economic interests was past due and requested that the statement be filed within 30 days.

On May 18, 2005, Ms. Contreras sent Respondent a third letter advising Respondent that if the assuming office statement of economic interests was not filed within 10 days, that the matter would be referred to the appropriate enforcement authority.

When Respondent failed to file the assuming office statement as requested, on July 14, 2005, the city clerk of the City of Westminster referred the matter to the Enforcement Division.

According to investigative records of the FPPC, on August 18, 2005 and on August 22, 2005, Political Reform Consultant (“PRC”) Jeanette Turvill of the Enforcement Division attempted to contact Respondent by telephone. On each occasion, PRC Turvill left a message for Respondent advising her that her assuming office statement of economic interests was past due, and instructing her to file the statement immediately.

On September 26, 2005, PRC Turvill sent a letter to Respondent by certified mail encouraging Respondent to participate in the Streamlined SEI Enforcement Program by filing her assuming office statement of economic interests. According to the certified mail return receipt, Respondent received the letter on September 28, 2005.

On October 11, 2005, Respondent left a voicemail with PRC Turvill stating she did not believe the statement of economic interests provisions apply to her because she works for a nonprofit agency.

On October 14, 2005, PRC Turvill attempted to contact Respondent by telephone. A voicemail message was left with Respondent that she, as a consultant to the City of Westminster, is a designated employee required to file the statement of economic interests.

On October 27, 2005, Respondent telephoned PRC Turvill and left a voicemail restating her position that she did not believe she was a consultant and the statement of economic interests provisions should not apply to her. In this voicemail, Respondent provided her cell phone number for a return call.

On October 27, 2005 and on November 28, 2005, PRC Turvill attempted to contact Respondent by telephone at her office, as well as her cell phone. PRC Turvill left a voicemail for Respondent at both telephone numbers advising that since the City of Westminster determined her

to be a consultant under the provisions of the conflict of interest code, she is a designated employee subject to the statement of economic interests provisions.

On December 6, 2005, PRC Turvill sent a second letter to Respondent by certified mail encouraging Respondent to participate in the Streamlined SEI Enforcement Program by filing her assuming office statement of economic interests. According to the certified mail return receipt, Respondent received the letter on December 8, 2005.

As of November 7, 2006, according to the Westminster City Clerk, Respondent has not filed her assuming office statement of economic interests. By failing to file an assuming office statement of economic interests by the March 28, 2005 due date, Respondent violated section 87300 of the Government Code.

COUNT 1

Failure to File an Assuming Office Statement of Economic Interests

As a consultant to the City of Westminster, Respondent Elizabeth Pierson failed to timely file an assuming office statement of economic interests by March 28, 2005, in violation of section 87300 of the Government Code.

CONCLUSION

Respondent Pierson failed to file the required assuming office statement of economic interests when she assumed office with the City of Westminster. In aggravation, the Westminster City Clerk's Office and Commission staff have made numerous and repeated contacts in an effort to obtain compliance from Respondent, but to no avail.

Until Respondent files the delinquent statement of economic interests, the public is deprived of knowledge of economic interests that might be a potential for a conflict of interest for Respondent Pierson.

This matter consists of one count, which carries a maximum possible administrative penalty of Five Thousand Dollars (\$5,000). The fine under the Commission-approved statement of economic interest streamlined program is \$2,000 when a respondent does not file the statement of economic interests and a default decision is ordered.

Accordingly, the facts of this case, and the mitigating and aggravating circumstances addressed herein, justify imposition of a total administrative penalty of Two Thousand Dollars (\$2,000).